

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	
	:	SECOND PRELIMINARY ORDER
- v. -	:	OF FORFEITURE
	:	<u>AS TO SUBSTITUTE ASSETS</u>
SCOTT TUCKER,	:	
	:	S1 16 Cr. 91 (PKC)
Defendant.	:	
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WHEREAS, on or about November 30, 2016, SCOTT TUCKER (the “Defendant”), was charged in a fourteen-count Superseding Indictment, S1 16 Cr. 091 (PKC) (the “Indictment”), with conspiracy to collect unlawful debts, in violation of Title 18, United States Code, Section 1962(d) (Count One); collection of unlawful debts, in violation of Title 18, United States Code, Section 1962(c) (Counts Two through Four); conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349 (Count Five); wire fraud, in violation of Title 18, United States Code, Sections 1343 and 2 (Count Six); conspiracy to commit money laundering, in violation of Title 18, United States Code, Section 1956(h) (Count Seven); promotion money laundering, in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 2 (Count Eight); concealment money laundering, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2 (Count Nine); and with false Truth in Lending Act disclosures, in violation of Title 15, United States Code, Section 1611 and Title 18, United States Code, Section 2 (Counts Ten through Fourteen);

WHEREAS, on or about October 13, 2017, the Defendant was found guilty following a jury trial of all counts of the Indictment;

WHEREAS, on or about April 17, 2018, the Court entered an Amended Preliminary Order of Forfeiture as to Specific Property/Money Judgment (D.E. 344), imposing a money judgment against the Defendant in the amount of \$3,500,000,000.00 (the “Money Judgment”), and forfeiting, *inter alia*, all of the Defendant’s right, title and interest in certain property of the Defendant (the “Specific Property”);

WHEREAS, on or about February 22, 2019, the Court entered a First Final Order of Forfeiture (the “First Final Order”), forfeiting to the United States all right, title, and interest in certain assets contained in the Specific Property (the “First Final Order Property”) (D.E. 376);

WHEREAS, on or about August 27, 2019, the Court entered a Second Final Order of Forfeiture (the “Second Final Order”), forfeiting to the United States all right, title, and interest in certain assets contained in the Specific Property (the “Second Final Order Property”) (D.E. 412);

WHEREAS, on or about April 7, 2021, the Court entered a Third Final Order of Forfeiture as to Specific Property (the “Third Final Order”), forfeiting to the United States all right, title and interest in a certain asset contained in the Specific Property (the “Third Final Order Property”) (D.E. 445);

WHEREAS, to date, \$3,388,851,383.91 of the Money Judgment against the Defendant remains outstanding;

WHEREAS, as a result of acts and omissions of the Defendant, the United States was not able to locate, obtain or collect assets traceable to the proceeds of the Defendant’s offenses, despite the exercise of due diligence in investigating the assets of the Defendant, except for the Specific Property;

WHEREAS, on or about June 9, 2021, the Court entered a Preliminary Order of Forfeiture as to Substitute Assets (the “First Preliminary Substitute Assets Order”) (D.E. 447), forfeiting to the United States all of the Defendant’s right title and interest in certain specific assets (the “Initial Substitute Assets”) in which the Defendant had an ownership interest that were in the possession, custody, and control of the court-appointed monitor (the “FTC Monitor”) in a related civil proceeding brought against the Defendant by the Federal Trade Commission (“FTC”) in *FTC v. AMG Services, Inc., et al.*, 12 Civ. 536 (GMN) (VCF), in the United States District Court of Nevada (the “FTC Action”);

WHEREAS, the Initial Substitute Assets subject to the First Preliminary Substitute Assets Order are valued at approximately \$15,600,000, such that at least approximately \$3,373,251,383.91 of the Money Judgment against the Defendant remains outstanding;

WHEREAS, after entry of the Preliminary Order of Forfeiture, the FTC identified the following additional assets of the Defendant that were not included in the First Preliminary Substitute Assets Order, which consist of the balance of deposits made by the Defendant to certain law firms as retainers for legal fees and expenses that were not incurred, which were subsequently transferred by those law firms to the FTC as part of the FTC Action:

- a. \$3,031,974.71 transferred from the trust account of Berkowitz Oliver LLP to the FTC on November 28, 2016;
- b. \$43,261.57 transferred from the trust account of Berkowitz Oliver LLP to the FTC on December 2, 2016;
- c. \$610.90 transferred from the trust account of Berkowitz Oliver LLP to the FTC on February 10, 2017;
- d. \$694,699.50 transferred from the trust account of Quinn Emanuel Urquhart & Sullivan, LLP to the FTC on November 29, 2016;

- e. \$6,932,610.05 transferred from the trust account of Zuckerman Spaeder, LLP to the FTC on November 30, 2016; and
- f. \$7,500 transferred from the trust account of Varnum, LLP to the FTC on December 21, 2016,

(collectively, the “Additional Substitute Assets”);

WHEREAS, the Government is seeking the forfeiture of all of the Defendant’s right, title and interest in the Additional Substitute Assets.

NOW IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. All of the Defendant’s right, title and interest in the Additional Substitute Assets are hereby forfeited to the United States of America, for disposition in accordance with the law, subject to the provisions of Title 21, United States Code, Section 853(n).

2. Upon entry of this Second Preliminary Order of Forfeiture of Substitute Assets, to the extent the Additional Substitute Assets are ordered released in the FTC Action or the judgment in favor of the FTC in the FTC Action is reversed, the United States Marshals Service (or its designee) is hereby authorized to take possession of the Additional Substitute Assets and to keep them in its secure, custody and control.

3. Upon entry of a Final Order of Forfeiture, the Additional Substitute Assets shall be applied towards the partial satisfaction of the Money Judgment entered against the Defendant.

4. Pursuant to Title 21, United States Code, Section 853(n)(1), Rule 32.2(b)(6) of the Federal Rules of Criminal Procedure, and Rules G(4)(a)(iv)(C) and G(5)(a)(ii) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, the United States shall publish for at least thirty (30) consecutive days on the official government internet

forfeiture site, www.forfeiture.gov, notice of this Second Preliminary Order of Forfeiture as to Substitute Assets and provide notice that any person, other than the Defendant in this case, claiming an interest in the Additional Substitute Assets must file a petition within sixty (60) days from the first day of publication of the notice on this official government internet site, or no later than thirty-five (35) days from the mailing of actual notice, whichever is earlier.

5. The notice referenced in the preceding paragraph shall state that the petition shall be for a hearing to adjudicate the validity of the petitioner's alleged interest in the Additional Substitute Assets, shall be signed by the petitioner under penalty of perjury, and shall set forth the nature and extent of the petitioner's right, title or interest in the Additional Substitute Assets and any additional facts supporting the petitioner's claim and the relief sought, pursuant to Title 21, United States Code, Section 853(n).

6. The United States may also, to the extent practicable, provide direct written notice to any person, other than the Defendant, known to have an alleged interest in the Additional Substitute Assets, as a substitute for published notice as to those persons so notified.

7. Upon adjudication of all third-party interests, this Court will enter a Final Order of Forfeiture with respect to the Additional Substitute Assets, pursuant to Title 21, United States Code, Section 853(n), in which all interests will be addressed.

8. The Court shall retain jurisdiction to enforce this Second Preliminary Order of Forfeiture as to Substitute Assets, and to amend it as necessary, pursuant to Federal Rule of Criminal Procedure 32.2(e).

Dated: New York, New York
October 7, 2022

SO ORDERED:

A handwritten signature in black ink, reading "P. Kevin Castel", written in a cursive style.

HONORABLE P. KEVIN CASTEL
UNITED STATES DISTRICT JUDGE